

Message Text

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ORIGIN EB-07

INFO OCT-01 ISO-00 STR-04 AF-08 ARA-10 EA-09 EUR-12 NEA-10

IO-13 SIG-02 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 ITC-01 TRSE-00

USIA-15 PRS-01 SP-02 OMB-01 OIC-02 /161 R

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APPROVED BY EB/OT/GCP - JSLATTERY

STR - SFALCON (SUBS)

AF:AJILLSON (SUBS)

EUR/RPE - ECASEY (SUBS)

ARA/ECP - ABERRY

EA:MHENDERSON (SUBS)

NEA/EE - DMORRISON (SUBS)

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FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS PRIORITY

UNCLAS STATE 216020

INFORM CONSULS

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: GSP PETITION REVIEW

1. ON AUGUST 31, PRESIDENT FORD APPROVED RESULTS OF FIRST SEMI-ANNUAL REVIEW OF THE LIST OF ARTICLES ELIGIBLE FOR GSP. STR PRESS RELEASE WILL BE SENT SEPTEL. PRESIDENT HAS SIGNED EXECUTIVE ORDER MAKING CHANGES WHICH WILL BE PUBLISHED IN THE FEDERAL REGISTER OF SEPTEMBER 1, UNCLASSIFIED

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1976. HIGHLIGHTS OF THE EXECUTIVE ORDER AND PRESS RELEASE

ARE AS FOLLOWS.

2. OUT OF THIRTY TWO PETITIONS FOR REMOVAL OF ITEMS FROM GSP COVERING 66 TARIFF LINE ITEMS, ONLY FOUR WERE APPROVED. THE FOLLOWING ITEMS WILL BE TAKEN OFF THE GSP LIST: PIG AND HOG LEATHER (TSUS 121.50), INEDIBLE GELATIN (TSUS 455.40 AND 455.42), PRICE TAG FASTENERS (TSUS 745.63) AND TV PICTURE TUBES ABOVE 16 INCHES (TSUS 687.40 WAS DIVIDED INTO TWO CATEGORIES 687.37, TUBES 16 INCHES AND UNDER WHICH REMAINS ON GSP AND 687.38, TUBES OVER 16 INCHES, WHICH IS REMOVED FROM GSP). ACTION ON LEATHER WEARING APPAREL (TSUS 791.75) WAS DEFERED AND ITEM

REMAINS ELIGIBLE FOR GSP. USITC WILL MAKE STUDY OF CURRENT PRODUCTION AND EMPLOYMENT TRENDS IN THE DOMESTIC INDUSTRY

WITHIN 70 DAYS, AND TRADE POLICY STAFF COMMITTEE WILL REVIEW THE CASE WITHIN THREE MONTHS. ONE ITEM, TAMARIND PASTE (NEW TSUS 152.60) IS ADDED TO GSP AS A RESULT OF A PETITION. ALL CHANGES IN PRODUCT ELIGIBILITY WILL BE EFFECTIVE OCTOBER 1.

3. THE EXECUTIVE ORDER ALSO DESIGNATES PORTUGAL AS ELIGIBLE FOR GSP, EFFECTIVE UPON THE PUBLICATION OF THE EXECUTIVE ORDER IN THE FEDERAL REGISTER. FOURTEEN ITEMS ARE LISTED ON WHICH PORTUGAL IS INELIGIBLE AS A RESULT OF THE COMPETITIVE NEED PROVISIONS.

4. IN ADDITION, IT WAS DETERMINED THAT NO LIKE OR COMPETITIVE PRODUCT WAS PRODUCED IN THE UNITED STATES ON THE DATE OF THE TRADE ACT FOR THE FOLLOWING ITEMS, AND THAT COMPETITIVE NEED LIMITATIONS THUS DO NOT APPLY TO THE COUNTRIES LISTED IN PARENTHESIS: TEQUILA IN CONTAINERS HOLDING OVER ONE GALLON (MEXICO), UNREFINED CASTOR OIL (BRAZIL) AND CORK STOPPERS (PORTUGAL). ORDER ALSO REMOVES COMPETITIVE NEED LIMITATION ON COSTA RICAN SUGAR AS A RESULT OF CORRECTED 1975 TRADE STATISTICS.

5. COMMENT: WHEN DISCUSSING THE ABOVE ACTIONS WITH UNCLASSIFIED

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THEIR HOST GOVERNMENT, POSTS SHOULD STRESS GENERALLY POSITIVE NATURE OF CHANGES. OUT OF A TOTAL OF 66 LINE TARIFF ITEMS, ONLY FOUR AND A PORTION OF ANOTHER (TV TUBES) WERE REMOVED. TOTAL 1975 US IMPORTS FROM BENEFICIARY COUNTRIES OF THESE ITEMS WAS ONLY \$3.4 MILLION (PIG LEATHER \$2.3 MILLION, INEDIBLE GELATIN \$735,000, PRICE TAG FASTENERS \$400,000 AND TV TUBES OVER 16 INCHES, NEGLIGABLE). BY CONTRAST, POSITIVE

ACTIONS TAKEN COVERED 1975 TRADE OF ABOUT \$92.8 MILLION FROM BDC'S (TAMARIND PASTE \$50,000, MEXICAN TEQUILA \$13 MILLION, BRAZILIAN CASTOR OIL \$15.8 MILLION, COSTA RICAN SUGAR \$20 MILLION AND PORTUGAL, LESS COMPETITIVE NEED ITEMS, \$44 MILLION).

6. COPIES OF EXECUTIVE ORDER WILL BE POUCHED TO POSTS THAT ARE DIRECTLY AFFECTED BY IT. ROBINSON

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